








THE MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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CDBG PROGRAM OBJECTIVES

The development of viable urban communities by providing decent housing, a suitable living environment, & expanding economic opportunities, principally for persons of low and moderate income (LMI)


Additional national and state objectives are included in the *CDBG Application Guidelines*.



CDBG Overview

Montana CDBG Facts

 A federally-funded competitive grants program.

 CDBG Entitlement Communities (Billings, Great Falls, Missoula) are exempt.

 The Indian CDBG Program is administered by HUD through the Region 8 office in Denver.



State of Montana CDBG Program

Montana's cities, towns, and counties under 50,000 in population have received over \$166 million since 1982.

Estimated Fiscal Year 2007 State CDBG Allocation

\$ 6,886,683

If Congress Funds Program at FFY '06 Level.

Anticipated Funds Available for Award to Local Governments

Public Facilities Projects	\$ 2,746,736
Housing/Neighborhood Renewal Projects	\$ 1,414,985
Planning Grants	\$ 225,000
Economic Development Program	\$ 2,193,361
Fiscal Year 2007 State Allocation	\$ 6,580,082
+3% Administrative Costs	



Funding Categories

Four CDBG Funding Categories:

- ❖ Planning Grants
- ❖ Housing & Neighborhood Renewal Grants
- ❖ Public Facilities Grants

Department of Commerce
Community Development
Phone: 841-2791. \$450,000 ceiling.
Deadline: 5/25/2007

- ❖ Economic Development Grants/Loans

Department of Commerce
Business Resources Division
Phone: 841-2733. **Open cycle:** \$400,000.
CDBG ED also has Planning Grants.

The Bush Administration proposed a 25% cut of the CDBG Program in FFY2007.

However, the House of Representatives has voted to continue the CDBG Program at its current level. The Senate has yet to take action.





Grant Ceilings & Deadlines

Any potential applicant may submit
one application for the
Housing/Neighborhood Renewal
grant competition



Deadline:
December 8, 2006
\$450,000.00 ceiling:
\$1,414,985
estimated total
available

Planning Grants

\$225,000 total available
\$15,000 maximum per grant

Deadline: April 20, 2007

MATCH: 50-50 match is required.
Match can include "in-kind" work by local
government's regular staff and by local project
volunteers.



Eligible Applicants

**Counties
Incorporated cities
and towns**

**Consolidated city-county
governments**



A county or municipality can apply for CDBG funds on behalf of:

- ❖ Water and Sewer Districts
- ❖ Human Resource Development Councils (HRDCs)
- ❖ Area Agencies on Aging (AAAs)
- ❖ Hospitals and Hospital Associations
- ❖ Other Non-Profit Organizations
- ❖ For-Profit Organizations (under certain conditions)



Montana Indian Tribes

Counties can apply for projects to assist unincorporated communities or persons who reside within the bounds of an Indian reservation.

Please note:

Montana Indian Tribes are ineligible for State CDBG Program funds. Instead, they can apply to directly to HUD.



Eligible Activities

CDBG funds can be used in combination with other federal, state, or local funds for:

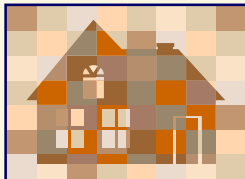
❖ **Rehabilitating substandard housing**

Including Innovations in Neighborhood Revitalization & Housing Rehabilitation

❖ **Constructing new housing**

❖ **Homebuyer assistance**

❖ **Site improvements to land that will be used for housing**



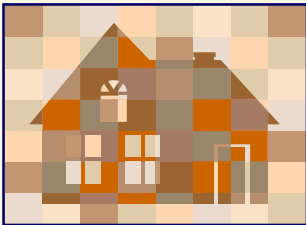


- ❖ Acquiring land for new housing
- ❖ Demolition of vacant, deteriorated housing
- ❖ Converting non-residential structures to residential use
- ❖ Weatherization and energy conservation
- ❖ Community and neighborhood revitalization activities

... as well as other possibilities
and combinations!

Keep in mind:

Projects must principally benefit low and
moderate-income families.



3 ways to demonstrate benefit to LMI:

Area-wide
Limited clientele
Targeting



Data Resources:

Local income surveys
HUD data from the U.S. Census

CDBG publication:

**Documenting Benefit to Low
& Moderate Income Persons**



Key Elements

Community Involvement

- ❖ Focus on the Mission: establish desired outcomes
- ❖ Housing and neighborhood renewal plans and studies
- ❖ Community needs assessments
 - ❖ Housing
 - ❖ Economic development
 - ❖ Infrastructure and other needs
- ❖ Income surveys



Community Planning

- ❖ Community growth policy
- ❖ Capital improvement plans (CIPs)
- ❖ Preliminary Architectural Reports (PARs)
- ❖ Preliminary Engineering Reports (PERs)
- ❖ Historic Resources Inventory / Historic Preservation
- ❖ Realistic Rehabilitation
- ❖ Attention to Blight
- ❖ Marketing
- ❖ Encourage "Buy-in"
- ❖ Be flexible



Construction Considerations

Define the space

- ❖ acquisition of sites
- ❖ clearance of sites
- ❖ site improvements to publicly owned or non-profit owned land

Lead-based paint (LBP) compliance

Safe LBP work practices

New Housing Construction

- ❖ must be sponsored and managed by a non-profit organization -- or, under certain circumstances, a for-profit organization.



More Construction Considerations

Housing Rehabilitation

- ❖ basic code standards
- ❖ electrical, plumbing, roofing
- ❖ lead-based paint hazards
- ❖ energy conservation
- ❖ handicap accessibility



CDBG-funded Energy Conservation Assistance Projects

- ❖ must coordinate with DPHHS's Low-Income Energy Assistance Program via the HRDCs. Contact Kane Quenemoen at 406- 447- 4267.

Affordability of Rents and Loan Payments

- ❖ Loan repayments must be based on an **affordability analysis**.
- ❖ Units must be occupied by LMI persons at **affordable rents**.
- ❖ As a general guide, **no more than 30% of the borrower's gross monthly income** may be used to repay principal, interest, taxes, and insurance.
- ❖ **Grantees can establish their own rent schedules** (not more than 85% of typical rents in community) or use Section 8 Existing Fair Market Rents.
- ❖ Consider **subsidy** of interest rates and/or mortgage amounts



Success Strategies

To be successful, applicants must:

- ❖ Carefully follow the application directions.
(Appendix D of the Application Guidelines)
- ❖ Thoroughly respond to each CDBG question listed.
(Chapter V)
- ❖ Provide documentation and evidence to support assertions.
(Appendix E)
- ❖ Complete all required CDBG forms and the *Uniform Application for Montana Housing Loan, Grant and Tax Credit Programs*
(2004 Edition).
- ❖ Applications from Non-Profit Entities OR For-Profit Entities must submit all specific details asked for in: *"Special Requirements for Projects Involving Non-profit and / or For-profit Organizations"*
(Appendix N)

RANKING CRITERIA

Housing and Neighborhood Renewal

- | | |
|---|------------|
| 1. Community Planning and Citizen Participation | 150 points |
| 2. Need (Need for the project and need for CDBG financial assistance) | 150 points |
| 3. Project Strategy and Community Efforts | 200 points |
| 4. Benefit to Low and Moderate Income | 150 points |
| 5. Implementation and Management | 150 points |
| TOTAL: | 800 points |

An application must receive a minimum score of **575** points in order to be eligible to receive CDBG housing funds.

**MONTANA COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG) PROGRAM CONTACTS**

Main Phone: (406) 841-2791

FAX: (406) 841-2771

TDD: (406) 841-2702

or call 7-1-1(Montana Relay Service)

Gus Byrom, Program Manager: 406-841-2777

gbyrom@mt.gov

Frank Kromkowski, Program Specialist: 406-841-2780

fkromkowski@mt.gov

Jennifer Olson, Program Specialist: 406-841-2773

jeolson@mt.gov

Kathy Brenden, Program Specialist: 406-841-2779

kabrenden@mt.gov

All applications and forms
are available on the CDBG website at:

http://comdev.mt.gov/CDD_CDBG.asp



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